PARTIAL RELINQUISHMENT REPORT

EL 22918

From 26 April 2002 to 25 April 2004

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Distribution:
- Department of Business, Industry & Resources Development (1)
- Central Land Council (1)
- Tanami Gold NL (1)

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1. SUMMARY

EL 22918 ‘Arltunga’ is part of the Winnecke Project and is situated approximately 40 kilometres east northeast of Alice Springs (Figure 1). The tenement was granted to Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL), a publicly listed company. This report describes exploration carried out on the relinquished portion of EL 22918.

After two years of tenure the western and central portions of EL 22918 were surrendered and are the subject of this report. The tenement was part of regional studies, however no field work was carried out on the surrendered portion, which is considered unprospective based on the interpreted geology of high grade metamorphic granitic gneisses of the Arltunga Gneiss complex.

2. INTRODUCTION

EL 22918 is explored as part of TENL’s Winnecke Project. The tenement was acquired to cover mafic granulites to the south and southwest of the Company’s Mordor platinum-palladium project. In addition, the tenement was extended eastwards to cover the southern margin of a buried magnetic anomaly immediately east of the Mordor Alkaline Igneous Complex (MAIC) and further west to abut the historic Arltunga Goldfield.

After two years of tenure the western and central sections were surrendered. Exploration during this period was carried out by Tanami Exploration NL (TENL) and is described in this report. TENL is a wholly owned subsidiary of Tanami Gold NL (TGNL) which is a publicly listed company and active explorer in the Tanami-Arunta Province.

EL 22918 ‘Arltunga’ is located 40 kilometres ENE of Alice Springs. Access is via the Ross Highway east from Alice Springs for 70 kilometres then via the Arltunga Tourist Track to Arltunga. Access through the tenement is limited to a few station tracks north from Undoolya Station into Mordor Pound and north and south off the Arltunga road through Paddys Plain.

3. TENEMENT DETAILS

EL 22918 was granted on 26 April 2002 over 92 blocks. At the end of the second year of term the tenement was reduced from 92 blocks to 15 blocks pursuant to the requirements of section 26 of the NT Mining Act, see Table 1 and Figure 2. This report covers exploration conducted within the relinquished section of the tenement by TENL.

<table>
<thead>
<tr>
<th>Tenement No</th>
<th>Blocks Granted</th>
<th>Blocks Relinquished</th>
<th>Blocks Retained</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arltunga EL 22918</td>
<td>92</td>
<td>77</td>
<td>15</td>
<td>26 Apr 02</td>
<td>25 Apr 08</td>
</tr>
</tbody>
</table>

Prior to the grant of the tenement, TENL entered into an Indigenous Land Use Agreement (ILUA) covering six tenements in the region (Figure 3). This Harts Range Indigenous Land Use Agreement (ILUA) was registered by the National Native Title Tribunal on 5 September 2002.

Exploration Licences 9529, 9774, 10359, 10360, 10404, 22625, 22918 and 23650 were incorporated into the Company’s Harts Range Indigenous Land Use Agreement (ILUA) by a Deed of Covenant...
executed on 20 May 2003. The ILUA and associated Exploration Deed between TENL and the Central Land Council (CLC) sets out the terms and conditions for conducting exploration in accordance with the wishes of traditional Aboriginal owners.

4. REGIONAL GEOLOGY AND PROSPECTIVITY

The Winnecke tenements lie within the Arunta Region, which has a stratigraphic, igneous and tectonic history spanning the Palaeoproterozoic to the Palaeozoic. The geology of the Winnecke project area is dominated by the Strangways Metamorphic Complex and overlying Amadeus Basin. A regional interpretation of the district was compiled by Dr Ding Puquan and Dr Deng Qi in April-May 2001. A portion of this interpretation showing the relinquished portion of EL 22918 is presented as Plate 1.

The relinquished tenement area is mainly underlain by granitic gneiss of the Arltunga Gneiss Complex and the Neoproterozoic Bitter Springs Formation and Heavitree Quarzite.

EL 22918 is situated in the general Strangways - Harts Range area. The Company is accessing both the gold and gold-platinum-palladium potential of the district. In the western sector of the tenement, elevated magnetics over the Arltunga Gneiss Complex were interpreted as mafic granulite with possible base metal / nickel prospectivity (Plate 3). Sampling of mafi c granulites to the north on EL 10404 has proved negative, lowering the prospectivity for this area on EL 22918.

5. TENL EXPLORATION

No field work was carried out in the surrendered tenement portion of EL 22918 ‘Altunga’. The tenement area was covered by the Company’s regional mapping program centred on the Florence Creek shear zone, see Section 4.0 and Plate 1. Regional desktop studies generated targets and outlined an aeromagnetic anomaly in the eastern tenement area, which was retained. The western and central tenement area was considered unprospective and consequently surrendered.

6.0 REFERENCES

Ding, Puquan 2001 Pre-Cenozoic solid geology map of the Strangways Range to Harts Range area, Explanatory Note. Unpublished TGNL in-house report.

